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INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

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STATE PASS USAID/LAC

SENSITIVE
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TAGS: [EFIN](#) [EAID](#) [PREL](#) [ES](#)

SUBJECT: EL SALVADOR REQUESTS TREASURY TECHNICAL ASSISTANCE

¶1. (SBU) SUMMARY: The Minister of Finance has formally requested the placement of a U.S. Department of Treasury Resident Advisor in El Salvador to provide technical assistance in the areas of debt management, budgeting, and taxation following a Treasury assessment visit. The Central Bank likewise sought assistance with debt issuance, while the Attorney General's office and Superintendent of the Financial System both expressed interest in financial crime-related training. Post strongly backs the GOES's request and urges a team be sent as soon as possible to discuss a potential scope of work. END SUMMARY.

¶2. (U) In early October, Treasury Office of Technical Assistance (OTA) Representative and Econoffs conducted an initial assessment of the GOES's interest in Resident Advisor technical assistance, culminating in a formal invitation from Minister of Finance Carlos Caceres for an OTA team to conduct a formal assessment and negotiate the scope of work for a technical assistance program. Copies of the letter have been provided to both Treasury and State (WHA).

¶3. (U) Caceres commented that, when he became Minister, he was shocked that El Salvador was "one of the very few" countries in the region not receiving technical assistance from Treasury. Caceres and Vice Minister Roberto Solorzano both expressed strong interest in assistance across OTA areas of expertise, but especially in debt management and taxation, where they hoped to complement an existing USAID tax program. The Minister advised that the GOES would also be interested in short-term assistance, especially with the GOES's upcoming Eurobond issuances. Central Bank President Carlos Acevedo similarly expressed an interest in technical assistance, especially in debt management.

¶4. (U) Jose Roberto Monroy, head of El Salvador's Financial Intelligence Unit (FIU) (part of the Attorney General's office) expressed a strong interest in resuming OTA assistance in combating financial crimes, noting the long-standing relationship between OTA and the FIU. The Superintendent of the Financial System, Victor Ramirez, also expressed interest in financial crime-related technical assistance.

¶5. (SBU) COMMENT: The GOES's request offers a unique opportunity to support the moderate elements of this new government as they seek to improve the transparency and efficiency of the institutions managing fiscal policy. Treasury OTA assistance should be complementary to the ongoing successful USAID tax program, and hopefully, synergies will develop across the projects.

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